(d) whether Government have considered them and if so, the steps being taken to implement them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The Narastmhan Committee was set up by the Insurance Regulatory and Development Authority (IRDA) to deliberate on the recommendations of the Law Commission to review the Insurance Act, 1938. It has submitted its report to IRDA in July, 2005. IRDA has placed this report in the public domain for comments of all stakeholders. IRDA is yet to submit its report to Government.

Aid from Asian Development Bank

1405. SHRIMATI AMBIKA SONI:
DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether Asian Development Bank is ready to double its aid package to more than $ 2.5 billion annually to the country within next three years and also support Bharat Nirman and other infrastructure projects in various key sectors such as energy including power, rail freight corridor, roads and highways as also airways;

(b) if so, the total aid to be provided by ADB in all these sectors;

(c) whether any agreements between ADB and respective Ministries have been reached;

(d) if so, what is total amount to be provided for each project; and

(e) what is the progress so far made in completing these projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM): (a) and (b) Yes Sir. Government of India and Asian Development Bank have tentatively finalized the ADB's Country Strategy Programme for 2006-2008. The ADB will make efforts to increase its lending to India from US $ 2.25 billion in 2006 to US $ 2.45 billion in 2007 to US $ 2.65 billion in 2008 should there be demand for it from the States and other Executing Agencies. The loans are in sectors identified by the Government of India to combat poverty through infrastructure-led growth. Nearly 77% of the three-year programme

focuses on core infrastructure projects including Transport (National Highways, State Roads, Rural Roads, Railways and Urban Transport); Urban (Water and Sanitation, City Development, Municipal Reform); and Energy (Power Sector Reforms, Transmission and Distribution, Hydropower). The Rural Roads component is a part of the Government's Bharat Nirman.

(c) and (d) No, Sir. The finalization of ADB's annual loan portfolio is done each calendar year (2006,2007 and 2008) in consultation with the line Ministries and State Governments.

(e) Does not arise.

Special Purpose Vehicle to fund infrastructure sector

1406. SHRI K. CHANDRAN PILLAI:
SHRI TARIQ ANWAR:

Will the Minister of FINANCE be pleased to state:

(a) whether decision has been taken to set up a Special Purpose Vehicle to fund infrastructure sector;

(b) if so, the details thereof;

(c) the detailed objectives of this scheme alongwith the nature of projects for which investment would be made through the SPV;

(d) whether funding by SPV restricted to the public sector projects; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) Government has decided to set up a Special Purpose Vehicle (SPV) for providing long-term debt for infrastructure projects. Pursuant to this decision, a Scheme has been drawn up to set up a Non-Banking Finance Company (NBFC) called India Infrastructure Finance Company Ltd. (IIFCL). The IIFCL will borrow money from the markets on the strength of Government guarantee bonds. The IIFCL can also raise money from organizations such as the World Bank, Asian Development Bank etc. and International debt markets, i.e., External